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To: [Cora, Lori](#)
Cc: kira.dabby@lw.com
Subject: Confidential Settlement Communication -- DIL Trust -- Insurance Trust Consent Decree
Date: Friday, January 10, 2014 3:24:47 PM
Attachments: [New Insurance Chart.xlsx](#)
[2014 Fund Admin Rate Schedule.docx](#)
[Dorsey-CV.pdf](#)

Lori,

Thank you for the example Consent Decree and Insurance Trust documentation you provided. The form used in Idaho appears generally acceptable to the DIL Trust, but will need to be tailored to our situation.

As you know, DIL Trust seeks to complete its dissolution by February 28, 2014 and seeks to settle its liability at the Portland Harbor Superfund Site prior to that date. As discussed in DIL Trust's November 1, 2013 letter to you, DIL Trust is interested in a settlement comprised of a substantial payment from Gulf Underwriters Insurance Company ("Gulf"), half of the cash available in the Trust corpus after deductions for estimated administrative expenses necessary to terminate the Trust, and the right to pursue insurance policies providing coverage for Site-related claims to the extent available. In return, DIL Trust seeks a full release and contribution protection, and Gulf seeks a release of all Gulf, Travelers, and Aetna policies as regards the Portland Harbor matter.

As we discussed before the holidays, given the time-sensitive nature of our settlement discussions, and the fact that events beyond EPA's control have delayed the United States' response to DIL Trust's settlement inquiry, to keep discussions moving we are providing the attached spreadsheet identifying the policies that would comprise the contents of the insurance trust if the parties can reach agreement. The attached chart lists DIL Trust's potentially applicable known insurance assets, updating the version that Kira Dabby emailed to you on November 19. Given Gulf's request for a release of Travelers, Gulf, and Aetna policies in exchange for Gulf's substantial cash contribution to the proposed settlement, I have shaded those policies in orange on the attached chart to indicate that those policies will be cashed out vis-à-vis Portland Harbor (and not transferred to the insurance trust). Blue shading reflects the policies that we propose transferring to the insurance trust.

Green shading indicates policies that currently are participating in the Hawaii action involving DIL Trust. As we discussed, the DIL Trust cannot transfer these policies to a Portland-specific insurance trust when those policies are participating in Hawaii, risking that those insurers may then assert that they no longer owe a defense for the Hawaii claims. For that reason, we have not included these policies among the blue-shaded policies specified for transfer to the insurance trust.

At your suggestion, we have also have inquired into potential trustees for this insurance trust who could perform the required tasks at a reasonable rate. We recommended Thomas Dorsey of de maximis, inc. I have worked with him, and his firm on several matters and found them to be well versed in superfund and trust

administration issues. Tom could serve as trustee, with other lower priced individuals at his firm handling the basic Trust accounting at lower rates. His resume and a rate sheet are attached.

We look forward to speaking with you at your earliest convenience to move this process forward.

Kirk A. Wilkinson

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